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RURAL ELECTRIFICATION ADMINISTRATION

PROGRESS BULLETIN
GENERAL - No. 29

December 10, 1937

A conference has been arranged between representatives of the Middle West Corporation and REA for Wednesday, December 15, in Administrator Carmody's office. The conference will make the first round table discussion of wholesale rates with this holding company and its subsidiaries in the Southwest.

The conference grew out of a recent letter to P. L. Smith, new President of Middle West. According to present plans the Company will be represented by F. E. Kreusi, Vice President in charge of Operations and Edwin Vennard, Rate Expert. The executive heads of several of the Corporation's operating companies will also attend. Kansas Power Company, Arkansas-Missouri Power Company, Southwestern Gas and Electric of Texas, Central Light and Power of Texas and Southwestern Light and Power of Oklahoma are expected to be represented.

Ten REA projects scattered through Texas, Kansas, Missouri and Oklahoma are potential wholesale customers of these companies. Inability to conclude satisfactory wholesale power contracts has seriously delayed these projects. The ten projects will comprise 3,757 miles of rural line to serve nearly 14,000 prospective customers. The rates quoted these projects by Middle West subsidiaries are practically identical and range from 1.5¢ per kilowatt hour for large projects to 1.9¢ for smaller projects.

REA officials are hopeful that the Company's readiness to cooperate in arranging this conference foreshadows an early solution of the rate question on a mutually satisfactory basis.